

Economic Rigidity Hampers Western Europe

(Continued from Page 1)
and Japanese, the commission said profitability fell to its lowest level in Europe during the 1970s, and it said labor costs in Europe were far less able to respond to economic swings than in other industrialized areas. Over that decade, the commission added, the United States and Japan had "good performances in creating jobs, a more favorable evolution in profitability and a greater capacity" for change.

Some projections for the economic future of Europe are deeply pessimistic. The research branch of West Germany's Labor Office, which keeps federal employment statistics and analyzes the job market, foresees the possibility of about 16 percent unemployment in West Germany for the period of 1990 to 1995.

One aspect of the equation is widely accepted by West German economists. It is that a yearly growth rate in the vicinity of 3 percent is necessary in West Germany to increase the number of available jobs. A growth rate of less than 3 percent means that the number of jobs retracts. This seems to suggest an inevitable and significant increase in unemployment in the country because a 3 percent growth rate appears unattainable.

Overall, Western Europe's reaction to mass unemployment has not been violent, although there

have been demonstrations and clashes with the police during some factory closings.

Bankruptcies are at record levels in many countries, and businessmen are increasingly pessimistic.

But there is little talk of material suffering. Union officials in countries such as Britain, where social security benefits can sometimes be more attractive in purely cash terms than holding a job, tend to avoid such talk altogether. A British labor leader said there was "no misery" in his country. Later he asked that his name not be used in connection with that remark.

The relationship between joblessness and politics is far from constant.

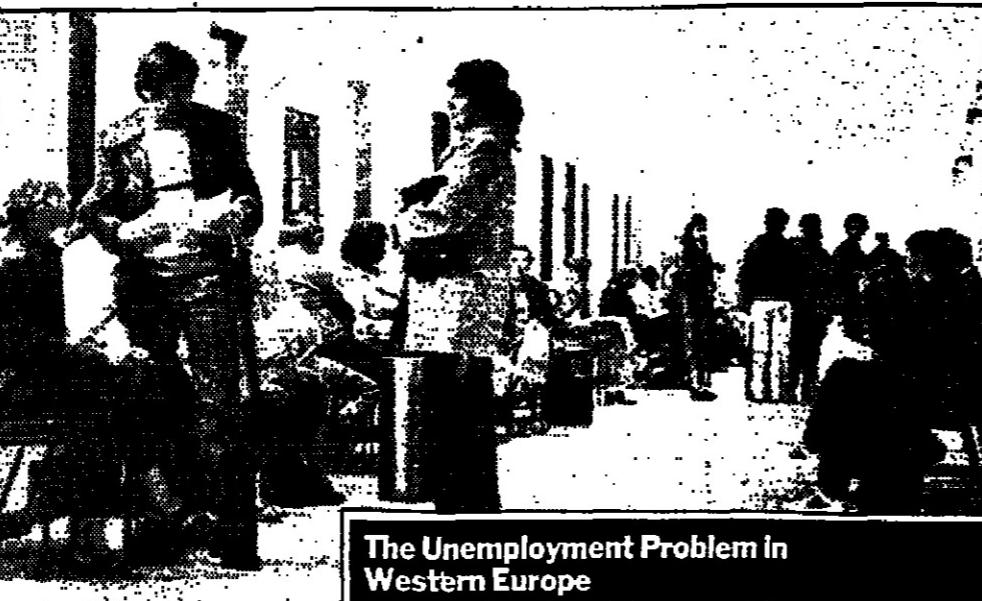
Since Margaret Thatcher became prime minister in 1979, unemployment has risen from 6 percent, to an estimated average of 12.2 percent for all of 1982, but her popularity and that of the Conservative Party remains high.

Part of the explanation appears to be related to Britain's victory in the Falklands conflict, but Mr. Lee of the Trade Union Council said: "The electorate just doesn't blame unemployment on her. They say it's the world recession, and then, 'Somewhat it's good for us.' She's succeeding in convincing people it isn't her fault."

In France, where there is much talk about "the reconquest of the domestic market," the government has placed restrictions or import-export video recorders.

In Sweden, the new prime minister, Olof Palme, ordered a devaluation of the krona by 16 percent immediately after taking office, a unilateral step angrily criticized by Sweden's main trading partners.

The situation is sometimes accompanied by a degree of general passivity and resistance to the idea that Western Europe's problems are largely its own. For most of the



The Unemployment Problem In Western Europe

Average annual unemployment rates as a percent of civilian labor force

	76	77	78	79	80	81	82	83*
Belgium	8.4%	8.7%	9.3%	11.6%	13.3%	14.8%		
Britain	5.7	5.3	5.9	10.2	12.2	12.5		
France	5.2	6.0	6.5	7.8	8.3	9.3		
Italy	7.1	7.5	8.0	8.6	9.9	10.5		
Netherlands	4.1	4.1	4.9	7.3	10.4	13.1		
West Germany	3.9	3.4	3.4	4.8	5.9	8.3		
Average of European Economic Community	5.6	5.5	6.1	7.8	9.4	10.3		
*Forecast								

Source: European Economic Community

The New York Times

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The general outline for econom-

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For the time being this approach appears to have stopped in such places as France and Britain. But just a few days after he left power, former Chancellor Helmut Schmidt of West Germany told an audience in Vienna that the world recession was related to the U.S. "budget crisis, caused by sheer arrogance."

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A Gathering of the Kennedys

This Time, the Family Strategy Was a Decision Not to Run

By Martin Schram
Washington Post Service

WASHINGTON — In the living room of Jacqueline Kennedy Onassis's bungalow at Hyannis Port, members of the immediate and extended families of Edward M. Kennedy drew their chairs into a circle and faced the prospect of another presidential siege.

Some who gathered Nov. 26, the day after Thanksgiving, were veterans of decades of clan strategy summits. Others were of the new generation — the family of the late Robert F. Kennedy, for example, was represented by the eldest children, Joseph and Kathleen.

This time, the clan had convened to hear the assessment of a member of a new generation of Kennedy campaign managers.

Senators' children, the two children of Robert Kennedy, and the Smiths' son, Stephen Jr.

The Kennedy and their closest associates said Wednesday that the persistent objections of the senator's three children had persuaded him not to run. It was done for the sake of the children, most of all for the youngest, Patrick, 15, they say.

And although they have all heard the widely held view that Mr. Kennedy could not win a presidential election, that he would never overcome the problems that have followed him since Chappaquiddick, they say that was not their view at all.

Mr. Horowitz distributed summary sheets to bolster the case of the political advisers that Mr. Kennedy should run and could win.

He presented preliminary test data compiled by Patrick Caddell, a poll-taker, showing that Mr. Kennedy's very expensive and intensely personal ads for his Senate campaign had switched people from the belief that Mr. Kennedy was immoral to the opinion that he was moral.

He distributed economic analyses from experts that said the econ-

omy looked bad through 1984, with unemployment remaining high and a recovery mild at best.

He was well into his analysis when one of the younger generation of Kennedys interrupted:

"I'm not most concerned about what the poll data; I'm concerned about what it is going to do to us."

The senator recalls that it was his son, Ted Jr., who made the comment. Mr. Horowitz recalls that it was one of Robert Kennedy's children. Either way, both agree, it pointed to the decision to come.

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Mr. Kennedy had come to Hyannis Port fresh from a post-election vacation in Europe, in New Hampshire, the first primary state which is served by Massachusetts television stations.

Before leaving for Europe, he had persuaded former Senator Harold Hughes of Iowa to abandon his support of the presidential candidacy of Mr. Kennedy's long-

time friend Senator Alan Cranston, a California Democrat, also a longtime friend of Mr. Hughes, and to switch to Mr. Kennedy — on the basis that he could win and Mr. Cranston could not.

When Mr. Kennedy called the clan to order in the living room of Jacqueline Onassis's home (she was not there), seated in a circle were: Stephen Smith, Mr. Kennedy's brother-in-law, who had figured prominently in all the Kennedys' campaigns and who was Mr. Kennedy's 1980 campaign manager; the Kennedy sisters, Jean Kennedy Smith and Patricia Kennedy Lawford; Mr. Kennedy's three children, the two children of Robert Kennedy, and the Smiths' son, Stephen Jr.

They paid particular attention to the Caddell testing of the effect of the four Senate campaign ads dealing with Mr. Kennedy's personal problems and depicting him as a man who is compassionate but "not a plaster saint."

Mr. Horowitz presented only part of the overall Caddell survey — the final analysis is not yet completed.

It showed significant changes in attitudes of individuals in New Hampshire, the first primary state which is served by Massachusetts television stations.

Before leaving the ads, the ratio of those believing that Mr. Kennedy was moral to those believing him immoral was 35-49. After the ads, the ratio switched to 52 to 35 — a change of 31 points in Mr. Kennedy's favor.



United Press International
Senator Edward M. Kennedy announcing his decision not to run for the U.S. presidency in 1984 at a televised news conference in Washington. Seated before him are, from left, Ethel Kennedy, wife of his assassinated brother, Robert, and his three children, Patrick, Ted Jr. and Kara.

Asked whether they thought Mr. Kennedy panicked in a crisis, many more people said yes than no before seeing the ads; after viewing them, more still said they thought he panicked — but the margin was reduced by 17 points.

After the meeting of the clan had ended, Mr. Kennedy began several hours of talks with his children, Kara, Ted Jr. and Kara. On Sunday, he told Mr. Horowitz that the children were unanimous

in their feeling that he should not run. With the pending divorce of their parents, they were worried about their father's security and felt the need to keep the family together at all costs.

The next day, Mr. Kennedy met with his political advisers and went over it all again.

"Nothing will change my mind," he finally told his advisers Tuesday morning. "So let's get it over with."

After Wednesday's news conference, at which Mr. Kennedy announced his decision, the Kennedy children talked enthusiastically of their father's decision.

"I made the decision a long time ago," said Ted Jr., 21. "I didn't want him to run. For Patrick mostly. When we are all grown up, it will be different."

"It was our decision as a family," Patrick said. "And I think he made the right decision."

This sensor, which is no bigger than a pinhead, may have been damaged before the flight.

WASHINGTON Two tiny plastic inserts worth less than five cents apiece and a magnetic sensor no bigger than the head of a pin failed in the \$3-million spacesuit worn by two astronauts in flight last month, forcing cancellation of their planned spacewalk during the last mission of the space shuttle Columbia.

So minute were the causes of the double-suit failure that the National Aeronautics and Space Administration said Wednesday that it will reschedule the canceled spacewalk for the next flight, which is set for the first week of February. That flight will be extended from three to five days to accommodate the spacewalk.

Technicians at Houston's Johnson Space Center found that the device that was supposed to regulate the oxygen pressure inside the spacesuit of the astronaut, William B. Lenoir, was missing two tiny plastic inserts that help to hold a pair of screws against a metal plate.

Documents showed the inserts were made last spring, removed during a test last August and never re-inserted to reseal the screws. Inspection of the spacesuit worn by the astronaut, Joseph P. Allen, revealed that one of two tiny magnetic sensors that run a fan feeding oxygen into the suit apparently failed just after he put on the suit.

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Reagan Urges Brazil to Be 'Partner in Space'

By Lou Cannon
Washington Post Service

SAO PAULO — President Reagan preached the virtues of free enterprise, unrestricted world trade and individual liberty to Brazilian industrialists Thursday and declared that the United States and Brazil should jointly explore the frontiers of space.

"Today, I would like to propose ... to have a Brazilian astronaut train with ours so that Brazil and the United States can one day participate in a shuttle launch together as partners in space," Mr. Reagan said to a group of U.S. and Brazilian business leaders assembled in the governor's palace here.

Mr. Reagan's celebration of U.S.-Brazilian cooperation won enthusiastic applause from his audience. Afterward, Mr. J. Sanchez, president of General Motors Brazil, said that President Reagan had accomplished more in one and a half days to improve relations between the two countries than had been accomplished in 20 years.

But not all Brazilians were as ecstatic about Mr. Reagan's goodwill efforts. The influential official of Brazil quoted a Brazilian official on Wednesday as saying that a speech by Mr. Reagan in Brasilia on Tuesday had had "a touch of banana Republic to it" despite the U.S. president's evident sincerity.

Donald T. Regan, the U.S. treasury secretary, met Thursday with a core group of Brazilian industrialists in São Paulo before the Reagan speech and engaged in what Luiz Eulálio Bueno Vidal, president of the São Paulo Industry Federation, called "an extremely frank and favorable" conversation.

For President Reagan, Thursday's speech was an effort to un-

der score before an audience of Brazilian businessmen and industrialists the theme of hemispheric cooperation he had sounded the day before in meetings with government leaders.

Speaking of what he called his dream of improving relations with Brazil and other nations in the Western Hemisphere, Mr. Reagan said: "On this shrinking planet, the drive for renewal, economic progress and the leadership for world peace must increasingly come from the new world."

Mr. Reagan also warned against the dangers of protectionism, couching his statement so that it did not appear to be a sharp criticism of the Brazilian export-subsidy policy that the United States has opposed.

In a conciliatory move, Brazilian officials have said that these subsidies will be phased out over a two-year period.

"With so many out of work — in my country, yours and others — protectionism has become an ugly specter stalking the world," Mr. Reagan said. "One danger is protection against imports, erecting barriers to shut down the competitive goods and services of others in one's own markets. Another danger is protection of exports using artificial supports to gain competitive advantage for one's own goods and services in the markets of others."

"The aim of these actions may be to protect jobs, but the practical result, as we know from historical experience, is the destruction of jobs," Mr. Reagan continued. "Protectionism induces more protectionism and this leads on to economic contraction and, eventually, dangerous instability."

Mr. Reagan began his second full day in Brazil with a speech to U.S. Embassy personnel in Brasilia.

Bogotá," which is the capital of Colombia. Video and broadcast tapes showed that Mr. Reagan had clearly said "Bolivia," and reporters objected to Larry M. Speakes, White House deputy press secretary, about the alteration.

The incident demonstrated the increased sensitivity which some White House officials have demonstrated about verbal slips-ups.

One of these officials called Mr. Reagan's slip "a human error" and said that President Gerald R. Ford had once referred during a toast to Anwar Sadat, Egypt's assassinated president, as the leader of Israel.

Train Crash Kills 4 in India

United Press International

NEW DELHI — An express train collided with a freight train in dense fog in eastern India, 140 miles (225 kilometers) southwest of Calcutta Thursday, killing 4 persons and injuring 41, the Press Trust of India reported.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Wall Street on Notice

The U.S. government has put Wall Street on notice that it has been selected as the fall guy for the economy's current predicament. Having painted the economy into a very tight corner, neither the administration nor Congress, it seems, can be counted on to help find a way out.

Senate Majority Leader Howard Baker, speaking last Sunday, said he doubts that Congress will be willing to make substantial cuts in either military or domestic programs. President Ronald Reagan, speaking the next day to the National League of Cities, pretty much conceded that was so. Since neither the administration nor Congress wants to raise taxes to pay for these programs the government will have to borrow money to finance yearly deficits that might exceed \$200 billion.

The only way out of this bind that the president or Senator Baker sees is long-term economic growth. In other words, the government will continue to buy now and pay later in the hope that sometime in the future it will get a hefty boost in its allowance from its rich relative, the private economy. The trick is to get the rich relative — now pinched by high unemployment, failing companies and falling export markets — back on its feet. This is to be the job of the financial community, which must see to it that there is plenty of inexpensive money to finance business expansion

and consumer debt. It would be "unconscionable," Mr. Baker said, "for interest rates to start back up."

Interest rates, however, are notoriously unmoveable by this sort of appeal.

Of course, the Federal Reserve could, as Senator Baker suggests, try to keep interest rates down by increasing the supply of money to accommodate the federal borrowing. This, however, is the functional equivalent of running the printing presses. If it goes very far, it will rekindle inflation, starting the spiral over again.

This predicament is a replay, in modified form, of the Carter administration's 1980 dilemma. In the spring, faced with a deficit that now seems modest, President Carter persuaded the Federal Reserve to crack down on private credit. That led to a rise in unemployment, also modest by current standards but worrisome in an election year. When the Fed eased up on money in the fall, however, interest rates shot up, not down.

Of course, inflation was considerably higher then, which made the financial markets very nervous. Now, inflation is down, though still high by historical standards, but the federal deficit is soaring out of sight. If Congress wants to pacify the interest rates, it will take more than pious exhortations.

—THE WASHINGTON POST.

Brazil: Debt and Promise

Good for President Reagan for giving Brazil pride of place in his hemisphere today. His three nights there are a vote of confidence in a big country churning with promise. A lot rides on how Brazil manages its tricky midpassage out of debt and dictatorship — and a lot depends on the right kind of encouragement from normally inattentive Washington.

Too many Americans tend parochially to lump Brazil with other Latin republics. Yet with 128 million people, Brazil has six times the population of Central America; its territory is larger than the continental United States. Brazil is a giant, not a domino, and is now set on a course that can make it the world's third-largest democracy.

What could deflect this course is a debilitating foreign debt, nearly \$90 billion, which puts it in the Mexican league. Unlike Mexico, Brazil is energy-poor; it has been especially vulnerable to the global slump. But for two years its military rulers have practiced what economists have preached — cutting deficits, squeezing imports, home-growing energy, letting interest rise and currency values fall. The bitter cost has been zero growth.

Yet Brazil is still broke, and needs to borrow \$10.6 billion mainly to service old debts. For the first time since the 1960s it is asking for help from the International Monetary Fund, which can lend it at least \$4.8 billion and enhance its credit at commercial banks. But the success of Brazil's democratic experiment depends in part on the sensitivity of the IMF's conditions. The \$1.2-billion emergency loan brought by Mr. Reagan was a responsible first step in guiding the fund.

President João Baptista Figueiredo is the fifth general to rule since Brazil's military dissolved democracy in 1964. He has been generally as good as his word in moving back toward representative government. Last month's election, the first of its scope in 17 years, put the opposition in power in key states while leaving the official party in apparent control of the choice of a president in 1985. After a long slumber, political life is awakening. Exiles have returned, the press is free and parties are again competing.

The price of rapid development has been inequity in the distribution of wealth. Keeping the inequity within bearable limits is first and foremost a Brazilian task. But Brazil's creditors can help by not demanding too much austerity too fast.

If Mr. Reagan can help them define the point at which economic and political stability intersect, his visit would pay large dividends for all the Americas.

—THE NEW YORK TIMES.

Other Opinion

The Arms-Race Pushers

The public campaign to stop the nuclear arms race, which last month had its greatest American success with voter approval of freeze resolutions, has to reckon with a central political fact: Many of President Ronald Reagan's key advisers on these questions want an arms race.

The men shaping nuclear weapons policy in this administration are such intellectual hawks as Richard Perle, assistant secretary of defense for international security policy, and Eugene V. Rostow, director of the Arms Control and Disarmament Agency. They are carrying out in office their stated belief that the United States should challenge the Soviet Union by a massive nuclear buildup, for two broad reasons.

First, they argue, the United States will be able to apply pressure in regional confrontations with the Soviet Union if it has an edge in nuclear weapons. And second, they believe that an all-out arms race will put the Soviet Union under tremendous economic pressure, forcing it to accept limits on its weapons.

The ultimate aim of the nuclear hawks is deeper still. It is to confront the Russians and force changes in their whole system. To understand the philosophy of the Reagan hawks is to appreciate why they arouse such anxiety among our European allies. The most moderate Europeans are terrified by the drift of American strategic thinking from deterrence to plans and weapons for actually fighting a nuclear war.

Is there any practical way to negotiate, with the Russians, a freeze on the most terrifying aspects of the nuclear arms race? Yes — and the main elements of such talks are obvious now. They would include a renegotiated SALT-2 and a comprehensive ban on testing, the best way to stop the deployment of new weapons.

—Anthony Lewis in The New York Times.

Start the Mideast Process

Egyptian President Hosni Mubarak has focused attention on what may be a necessary precondition for a new round of peace perhaps not unwarranted.

—Le Monde (Paris).

DEC. 3: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: N.Y. Schools Ban Religion

NEW YORK — Strict enforcement of the new rule adopted by the New York Board of Education for the elimination of all religious teaching from the public schools is declared to mean not only the revision or exclusion of many familiar hymns, but the banishment of Santa Claus because of his close association with Christmas, which itself may survive as a celebration only if stripped of its Christian significance. In the songbooks now being revised for use in the schools, such hymns as "Oeward, Christian Soldiers" will no longer appear, and others will retain their places only after they have been transformed by the substitution of non-Christian words for all those referring to the Savior.

1932: A Rockefeller Donation

NEW YORK — Funds from the Rockefeller family totaling more than \$1 million were assured to the Red Cross relief committee headed by Harvey Dow Gibson. The committee is hoping to raise \$15 million for unemployment aid. John D. Rockefeller Jr. pledged a personal check for \$300,000 and a check of \$750,000 from the Rockefeller Foundation. In taking this action the younger Rockefeller cited the work he has himself financed and which has provided jobs for 3,000 workers. While most of the \$15-million fund will be administered to provide direct relief, the committee, it is understood, also will make every possible effort to "assist the unemployed to assist themselves."

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Sitting It Out in '84: What Are Kennedy's Motives?

By George F. Will

WASHINGTON — Among the weaknesses incidental to humanity is a reluctance to credit eminent persons with commonplace motives. But it is both sensible and civil to note that Edward M. Kennedy is a conscientious father with many children — his own and those of two brothers — about whom to be confidential.

The fact that his decision to take himself out of the 1984 presidential race has been made now suggests that personal rather than political considerations were paramount. To whatever extent political calculations about 1984 were involved, to that extent it made sense to wait and see if the economy, which is on a knife-edge, turns down so drastically that the country becomes receptive to any candidate who is not a Republican. That is the condition required for a Kennedy candidacy to seem worthwhile.

Furthermore, some undertakings are so grindingly arduous that they cannot be done well except by persons who relish the draining strain. Being a surgeon is one; being a pro-

fessional football lineman is another; being a presidential candidate is a third. During 1980 Senator Kennedy became a better candidate, but as in so much of his life, he seemed cast in a role written by a destiny he vaguely regretted.

Senator Kennedy is neither a masochist nor a fool. Indeed, he has a well-aimed appetite for pleasure, and has political chromosomes. He knows better than any living American that campaigning for president is not fun and that, for him, it is not safe. Furthermore, he knows that the next time he loses will be his last loss in presidential competition.

He also knows how to read election returns, having been reading them since his brother, John, ran for Congress in 1946, when he, Ted, was 14. It is all very well to remember Senator Kennedy's skillful sermon that so pleased the choir in Madison Square Garden 28 months ago. But by then he had been trounced by a Democratic opponent incapable of kindling Democrats' passions — an

opponent who then lost 44 states. The 1982 election returns could not have been encouraging to Senator Kennedy. Consider the gubernatorial races in two of the states a Democratic presidential nominee must carry.

Fish gotta swim, birds gotta fly and Washington gotta work what this means for other Democratic candidates who will now rise from the underbrush like rocketing pheasants. Perhaps it helps former Vice President Walter Mondale, who has consistently risen passively, as a result of the actions of others. (He was appointed attorney general of Minnesota in 1960 when the incumbent resigned. He was appointed to the Senate in 1964 when Hubert Humphrey became vice president. He was plucked up as a vice-presidential candidate after an aborted presidential campaign.)

Now Mr. Mondale is, by default,

suddenly the front-runner. Concerning the joys of that role, he can consult the experiences of George Romney in 1968 and Edmund Muskie in 1972. Senator Kennedy, before his

announcement, was in the incongruous position of being a young man but an "old face." Now the old face is Mr. Mondale.

If Senator Kennedy's withdrawal works as an invigorating tonic on Democrats, quickening their sense of adventure by enlarging their sense of possibility, then some of the intellectually most interesting and potentially strongest candidates such as Senator Ernest F. Hollings, can hope for a better hearing than they otherwise would have had.

It is beyond the poor power of the Republican Party to create a "Republican era." Only the Democrats can do that, by nominating a candidate who takes them on an ideological bender. Senator Kennedy might have done that.

But those who think that the Massachusetts senator's presidential prospects are dead as mutton should consider this: Even in the year 2000, he will be just 68, a year younger than the current president was when, after several years' disappointments, his hour finally came.

The Washington Post.

Practicing the Politics of Someday

By William Safire

WASHINGTON — Be charitable: grant that a concern for his children's worry about assassination was surely one factor in Ted Kennedy's decision not to run for president in 1984.

But be realistic, too. Senator Kennedy seeks to leave the impression

that he is going against his political judgment and personal desire — indeed, giving up what he says he considers to be a likely nomination and election — just because he is a good father to whom family values always come first.

That is a sham, an insult to his followers and a delicious example of political duplicity to his detractors.

He is leaving the field now because he thinks that is a smart tactic for a man who still aspires to the presidency. He is at his public-opinion peak, ahead of President Ronald Reagan and far ahead of his Democratic competition.

With nowhere to go but down — and down he would go the moment he declared his candidacy — he has chosen to remain above the battle. He will go to the convention as a ghostly presence, as in 1968 and 1972, drawing affection away from the nominee. If nobody has the nomination sewn up he will stimulate a draft, replacing the modern primary trial with the old-fashioned convention coup.

At Senator Kennedy's press conference, Robert Shogan, author of "None of the Above," a brilliant book examining why presidents fail, wondered why the senator had not been as unequivocally Sher-

manesque as he had in the past: the senator then dutifully stated that he would not accept a draft. But in truth, not a politician breathes who would refuse a draft.

Of course, he has sharply diminished his chances of being nominated in 1984. At the same time, he has increased his real chance of being elected if a nomination should fall his way.

And the senator thinks he has positioned himself for a run in 1988, when Chappaquiddick will be a dirty memory and Americans will be bored after eight Republican years.

That is where he may have outsmarted himself. Once again he has let down the side: Twice now he has refused to lead his party against a sitting Republican president. He ran only against a sitting Democrat.

He has even let down the other side. Republicans have been slavering for months in anticipation of running against Kennedy. Compassion and Concern.

He represents the left; he does not wince at the word "liberal"; he asserts his dovishness hawkishly; he presents a clear choice, and if all that is not enough to make him a sure loser, he carries baggage that would make the sturdiest redcap buckle. I miss him already.

More important, he has let down "Kennedy people." Not that handful of Camelotites dreaming of the Restoration, or the dump-Carter Democrats who in 1980 promised

Senator Kennedy the moon and quickly gave him the gate, but the old-line liberals whose tattered standard now lacks a glamorous bearer: the issues staff and speechwriters who were stretching their talents in reaching for the brass ring, and the newly needy who seek roots for their resentments. To them, the prospect of a Kennedy campaign meant everything from fulfillment to ultimate salvation.

Stick around six years, or ten years, says their hero now: be there when I need you. But where is he when they need him?

Persistence is often mocked, but it counts for something in American politics. Many voters need an ideological home that a constant candidate provides better than a party.

Ronald Reagan, who first tried in 1968, built a following that failed with him in 1976 and triumphed in 1980; he stayed that center and finally proved that the center need not hold.

President John F. Kennedy and his younger brother Robert offered what the historian Arthur Schlesinger Jr. called "the politics of hope." Some of us think that the hope was ill-founded or would better be replaced by self-reliance, but the force of their message was: We are winners, we are confident, go with us and we will soon earn the power to make great changes.

Not Edward Kennedy. His are the politics of someday, of waiting for an opening, of lightning-may-strike. He has learned to make a fine speech, even to make a stand for un-

popular causes, but he has not learned how to rally and sustain the liberal army.

He will always be around, but he will never become a force. Edward

Kennedy is a Man of Destiny only in this way: That he is destined never to be the president of the United States.

The New York Times.

plan — with its relationship to the Fahd plan, which in turn was a kinship of the Venice Declaration — is seen as a real step forward in American thinking.

But we must be careful that what could be seen as a contradiction in the plan — recognizing the Palestinian responsibility both for the tragedy of the Jewish people in the 1940s, and for the history of the Palestinians since the end of the Arab mandate in Palestine.

There is also in Europe an undeniable sense of frustration at our present lack of influence in an area that is on our doorstep and of vital importance to us. Europe's quest for common views in world affairs is bound to focus upon the Middle East.

And there is an even more basic cause of disagreements — the way in which differences over the Arab-Israeli question reflect, as did the pipeline saga, differences between Europe and the United States about how to handle the Soviet Union.

It is only a caricature of U.S. policy that leads Europeans to see it as guided — no matter what the local situation may be — most of all by the concern to meet an assumed communist, or Soviet, challenge?

Europeans tend to see Arabs and Israelis engaged in a complicated quarrel of their own, rather than acting as proxies in the conflict between the United States and the Soviet Union. Europe sees the Israel-Arab imbroglio as the dominant issue in the Middle East — not the possibility of Soviet penetration.

So while it is evidently sensible — indeed, necessary — to make contingency plans lest the Russians decide to seek to extend their influence in the area, Europeans see progress on the Palestine question and a reasonable Arab attitude there as being much more relevant to the stability of the moderate Arab states than the development of capabilities for external military intervention.

Where do we go from here? From the European viewpoint, the Reagan

plan — with its relationship to the Fahd plan, which in turn was a kinship of the Venice Declaration — is seen as a real step forward in American thinking.

It will help if it is welcomed by the moderate Arab world, and the European Community should use what influence it has to help it forward. It seems, paradoxically, that the only important dissenters to the plan are the Israelis and the Russians. But we must appreciate that the acceptance of the plan by the moderate Arab leaders puts them, their reputations, and even the future of their regimes on the line. So it is vital that the momentum of discussion be maintained and that ways be found round all obstacles.

The Washington Post.



President Hosni Mubarak of Egypt said goodbye Thursday to Prime Minister Indira Gandhi of India.

Mubarak-Gandhi Talks Reported To Improve Egyptian-Indian Ties

NEW DELHI — President Hosni Mubarak of Egypt ended a visit Thursday to India that has reportedly set relations between the two countries on a new footing, three months before a conference here of nonaligned nations.

Prime Minister Indira Gandhi said that the visit helped create greater understanding, although it lasted only two days.

And one newspaper, the Times of India, said the talks served to lay groundwork for the revival of close bilateral relations.

Egyptian sources, meanwhile, saw the trip as part of Mr. Mubarak's efforts to re-establish a leading role for Cairo in the 97-member nonaligned movement, which Egypt and India helped found with Yugoslavia.

Egypt narrowly escaped expul-

Chinese Official Says Deficit Spending Hurts Modernization Plan

By Christopher S. Wren
New York Times Service

BEIJING — Despite a promising economic future, China is still not generating enough revenue to keep up with the demands of its modernization program, according to Finance Minister Wang Bingqian.

Mr. Wang made the disclosure Wednesday in a report to the annual session of the National People's Congress, where he announced a state budget for next year that would continue to run an annual deficit of about 3 billion yuan (\$1.5 billion).

The draft budget anticipates total revenues next year of 123.3 billion yuan, and total expenditures of 126.2 billion yuan, leaving a gap of 3 billion yuan. This is about 11 percent more than in the 1982 budget.

On Tuesday, Prime Minister Zhao Ziyang disclosed a belated five-year plan that incorporates a total budget deficit of 14.5 billion yuan, from 1981 to 1985. Mr. Zhao said an effort would be made to keep the deficit below 3 billion yuan for the remaining years of the plan.

The deficit arose partly because of the retrenchment of the Chinese economy starting in 1979, when the leadership cut back its ambitious modernization program. It also reoriented production away from traditional heavy industry and toward light industry and consumer goods production.

On Wednesday, Mr. Wang said the decline in revenue was coming to a halt and that a steady upturn would start next year. Although this was evidence of improvement, he told China's parliament, "the growth of revenues still cannot keep pace with the needs of economic and social development."

An Egyptian spokesman said French-Egyptian proposals for a Middle East settlement were discussed in the context of other peace plans, including President Ronald Reagan's proposal in September for a Jordanian-Palestinian association on the West Bank.

Egypt and France have urged the Palestine Liberation Organization to recognize Israel as a step toward negotiations for the creation of a Palestinian state.

Mrs. Gandhi and Mr. Mubarak also discussed the nonaligned movement's role in seeking a settlement of the war between Iran and Iraq, which has lasted for more than two years. Kamal Hassan Ali, the Egyptian foreign minister, said the topic would be high on the agenda at the nonaligned summit.

Mr. Mubarak said the movement should create a mechanism for solving disputes between members. He also suggested agreement on a system for guaranteeing their neutrality.

The five-year plan unveiled Tuesday sets relatively modest annual growth targets of 4 percent a year through 1985 while China continues the readjustment of its economy.



Sam Whitehead shows effects of the drought on a lake on his land 120 miles (192 kilometers) north of Melbourne.

Cities Warn of Drastic Water Cuts As the Drought Persists in Australia

By Jay Ross
Washington Post Service

MELBOURNE — A drought that has parched some of Australia's rich eastern farmlands for more than three years may soon force the country's cities to take drastic measures to save water.

With no seasonal rain due for almost six months, trees are growing that the drought could turn into a dust bowl. The first signs of that threat appeared this week, when the remote mining town of Broken Hill in New South Wales reported its first dust storm in decades.

Anyone caught watering gardens or washing cars risks a fine of 1,000 Australian dollars

(\$950), and the water board has warned the city's 2.8 million residents that tighter limits will be imposed during the dry summer months unless the new measures succeed in cutting consumption.

Melbourne, the second largest city, has sharply restricted its use of water following an unusually dry winter that left its reservoirs only half full.

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Smith Says Zimbabwe Seized His Passport

By Jay Ross
Washington Post Service

HARARE, Zimbabwe — The government seized the passport of former Prime Minister Ian Smith Thursday after he was sharply critical of the Mugabe administration during a visit to the United States and Britain.

Mr. Smith said that a government official presented him with a letter from the passport office demanding that he turn over the document. The move was ordered by Home Affairs Minister Harchand Ushewokunze. Mr. Smith said, but no reason for the action was given.

"I'm a bit taken aback," Mr. Smith said. "I don't know what I have done." He had no doubt, however, that the withdrawal of the passport was "part of a campaign against myself and [his] Republican Front party."

A source close to Prime Minister Robert Mugabe said several cabinet ministers were upset by Mr. Smith's criticism of the government while he was in Washington, saying it could affect Western investment and aid.

"There is a very strong feeling among senior officials that Smith has to be shown that the government can get nasty with him. The intention is to ground him until

the government is satisfied that he will behave himself in a manner expected of a man who led the country before," the source said.

Mr. Smith, the last prime minister of white-ruled Rhodesia, was the first prominent politician, other than persons arrested, to have his passport withdrawn under the Mugabe government.

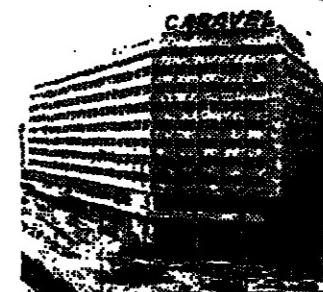
Last week, Mr. Smith, his wife and 24 other whites were briefly held by police on suspicion of holding an illegal political meeting while attending the opening of an art exhibition.

Much of the criticism of Mr. Smith has focused on an interview he had last month with The Washington Times in which he spoke of the need for Western economic help but added that "there is a danger of the free world falling into the trap of aiding and abetting the establishment of a one-party Marxist dictatorship" in Zimbabwe.

He also said "there has been a rapid deterioration" in the country socially since Mr. Mugabe was elected in 1980.

He also had a meeting in Britain with Prime Minister Margaret Thatcher, following which she complained in Parliament about the human rights situation in Zimbabwe.

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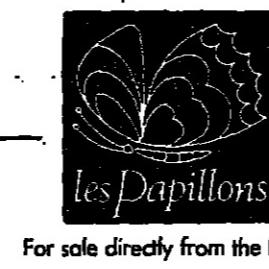
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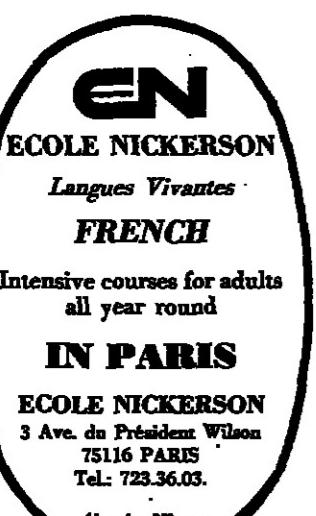
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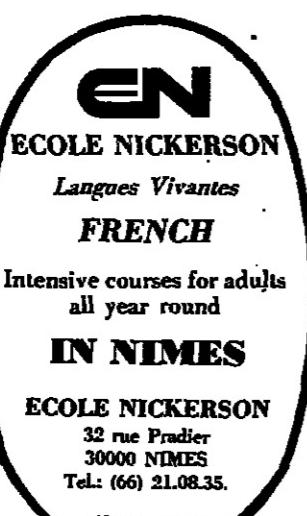
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WEEKEND

December 3, 1982

Page 9W

The Man Who Would Be Burger King

PARIS — By the close of this weekend, if all goes according to plan, every archlike M of the McDonald logo will have been ripped away, leaving 14 burger places in the Paris area briefly without identity. They will be hastily reborn — in identity. They will be hastily reborn — in fast food; time is money — as 14 burger places called O'Kitch.

This transformation is the result of the ruling of a judge in Cook County, Illinois, which required the owner of the Paris-McDonald's, Raymond Dayan, to remove all McDonald's

MARY BLUME

Signs and trademarks from his restaurants. Dayan first brought McDonald's to France when he opened in the Paris suburb of Cité on June 30, 1972.

The Chicago-based burger empire accused Dayan of violating its code of quality, service and cleanliness, or Q.S.C., as it is known in company jargon. The judge called the Paris operation "a blight on McDonald's worldwide system" and a McDonald's witness stated that Dayan had defended himself by saying that the French are dirty and do not have American standards of cleanliness.

Dayan, a jovial and hard-driving entrepreneur wearing a windowpane plaid jacket and a blank gold signet ring, says he said no such thing.

"What I might have said is that the French are undisciplined, and throw papers on the floor all the time. We have 12 people to sweep up after them, which no other chain does," he



Raymond Dayan.

said over *pâté de canard* and *sauvage de veau* in a traditional white-tablecloth restaurant near the Gare du Nord. "Dirty! You could say this place is dirty," he added, pointing to the gray-

tinged ceiling, unfortunately in mid-meal. "In America they just repaint a lot more often."

Asked how many hygiene complaints he has had in Paris, where, he says, health laws are stricter than in Chicago, Dayan bends his thumb and forefinger to form a zero.

Dayan claims with some justice to have launched the fast-food industry in France. A naturalized American born in Morocco, he had dreams of MGM and worked on a 1953 clinkers called "Sandie" with Cornel Wilde and Mel Ferrer before moving on to Chicago, where he went into interior design and picked up nine McDonald's franchises early on.

McDonald's State-side franchises need do little more than read the company rulebook and wait for the money to roll in. When Dayan gave up his Chicago stores to come to France, he found that he had to invent, organize and often back suppliers, fight city ordinances and convince Frenchmen that anyone who lingered more than 20 minutes over a meal was a lötter, not a gourmet. In time, the Big Mac became an indelible part of French life.

Not too indecisive a part, Dayan hopes, since he counts on Parisians to wolf down his O'Kitch products with even more appetite. The O'Kitch equivalent of a Big Mac is called a Best Kitch. "It is our pride and joy," Dayan says.

How he thought of such a kitschy name for his stores is a mystery. "Kitch sounds kind of her," he claims valiantly, adding with some truth that the French-owned What a Burger! is unpronounceable by the French and McDonald's is unspellable since the French

are traditionally offended by the sight of three consonants in a row and spell Mc names Mac. One reason for the name O'Kitch is to get away from burger-based products. A specialty of the house will be a sort of turkey sandwich called a Dindo'kitch.

Dayan also has an apple pie that, unlike some others he might name, is not fried, and he spent two years developing his burger sauce. "To tell the truth, fast foods all look the same. It's the sauce that makes it," he says. His sauce has fewer additives and is less sweet than at the Other Place. "I'm using my French know-how to give the French something they want," he says.

He feels he understands the French better than the McDonald's home office does. "I happen because of being born in Morocco to understand the French," he says. "Like Kissinger knows what Germany is."

Dayan's contract with McDonald's allowed him to open 166 restaurants, but he stopped opening them in 1978 and prudently opened the O'Kitch (there are already four of them) when trouble with the home office started brewing. He says the legal action began when McDonald's, seeing his success, offered to buy him out for a substantial sum. He refused and a threat of a lawsuit on the grounds of Q.S.C.

Dayan thinks his Q.S.C. is as good as anyone's and blames the lawsuit on the fact that he did so well. An owner, not a franchisee, he opened the Paris stores on an extremely favorable royalty base of 1 percent, which later rose to 2 percent. French franchisees outside the

Paris area — where he has no stores — are, he says, paying a royalty of 12 to 17 percent, including rent. The reason his terms were so favorable, Dayan says, is that everyone thought the French would make mincemeat of him.

"The reason I got 1 percent is they were giving me Siberia. No one believed in it. At times I didn't believe in it myself."

Suburban burger houses do less well in France than those that are centrally located, and the French prefer smaller, crowded places. "To be modest, my genius is first to find small stores," Dayan says. The first McDonald's in the suburb of Cité was huge. It got off to a lumbering start. Dayan was everywhere, sweeping floors, serving Big Macs and educating the French. "One man asked me to explain every item on the menu. Finally he said he'd have a cheeseburger without the cheese."

Dayan will not discuss his present gross except to say with glossy pleasure that it is very substantial. "It took 10 years. The self-satisfaction is more important than the money. Or will be when I get older," he says.

When McDonald's decided to make the fat on the subject of Q.S.C., they sent in *husiers*, or professional legal busybodies, to make sworn statements and have photographs taken.

"My stores are very small. With 10 strange people in them, my people could not communicate," Dayan says. "With people taking pictures, they couldn't clean. I could go into your kitchen and take pictures while you're cooking." Dayan horribly suggested, "or photograph your bed before you've made it."

"If I had an executive whose tie wasn't straight, I wouldn't fire him. I wouldn't judge on whether his necktie was in the middle, but on his performance."

"My argument is that I came to a new country where McDonald's and fast food were unknown and I had the success I did, with four of the Paris stores top in their 6,000-store chain. I can't force a Frenchman who knows food to come unless I'm giving him what they want."

The O'Kitch stores are spanking red and white. A tour led by Dayan includes even the basement and employees' showers, and a chance to see pink wafers of minced meat sizzle in tidy rows. "Is this dirty?" Dayan asks, rubbing a housewife's finger on top of a cabinet. "It's impeccable, of course, but actually over there right on the window sill is a disused bite of a French fry. So take a picture," Dayan says bitterly. The lawsuit has clearly hurt.

He is appealing the judge's decision, but it may take years before the appeal is heard. In the meantime, he is on the offensive, combining, as he puts it, the *American genius for efficiency with French taste*. He has his own training school in his own building on the Rue du Faubourg Saint-Denis and he has a team of eager young executives who in a do-or-die spirit go off and taste the competition's burgers on their day off.

"I lost a battle. I'm going to take it like a man. Like a businessman," Dayan says.

"I'm on the attack now. All that I've learned I'm going to apply." And anyone who can't stand the heat had better stay out of the O'Kitch.

Why Does Japan Love Lolita?

by Terry Trucco

TOKYO — Visitors to Japan who chance upon some of the country's weekly newsmagazines can be in for a shock. Although not in a league with *Time* or *The Economist*, the newsmagazines are nonetheless known as muckrakers, digging up stories the daily newspapers often fail to discover. But in each issue of certain newsmagazines are three or four full-color, pinup-style photographs of nude — or nearly nude — women. Not only are they naked, they're young. It is unusual to open one of these magazines and confront a baby-faced 16-year-old playfully stepping out of her navy blue school uniform.

This predilection for photographs of prepubescent girls turns up in dozens of places. The Lollitas, as they are called, are ubiquitous. Men in business suits can be seen on the subways leafing through photobooks. Lolita posters decorate office walls of white-collar workers in some of Japan's starchiest corporations.

This cultural phenomenon is in fact known as the "Lolita Complex" — Lolicom for short. Social observers say its popularity peaked about three years ago, but it shows few signs of demise. The term Lolicom has become an accepted addition to the Japanese lexicon.

Everyone here seems to see a different reason behind Lolicom's resiliant popularity, which appears to touch a number of nerves in Japanese society.

Some claim the Lollitas are simply very beautiful. "They have wonderful skin," says Yoji Ishikawa, a free-lance photographer who specializes in pictures of racing cars, underwater scenes and Lollitas.

Others say the pictures provide an innocent instrument of escape for Japan's workers.

"People read about politicians who should be in jail or a fake art exhibition at the Mitsukoshi department store, and feel bad about society," explains Kazuo Kenmochi, another free-lance photographer. "They need a relief."

Perhaps the most obvious reason is a Japanese ruling that forbids photographs that show pubic hair. Young girls are the only "women" who can be photographed from the front.

But many trace the rise of the Lollitas to the new militancy of Japan's heretofore meek women. "This is a very male-oriented society,"

says Kyoko Michishita, a Tokyo writer and artist. "Men like to look at those pictures of silly giggling girls because they feel they can touch them."

Whatever the reasons, it is clearly foreigners who are bothered most by the Lollitas. In a recent letter to an English-language newspaper here, one foreign reader expressed shock at the "latest perversion" — lustng after fully naked prepubescent children."

The Japanese take a more relaxed view of the matter, which is looked upon almost indulgently as a phase that will eventually pass. The Japanese attitude toward Lolicom is not particularly surprising given a national cultural tradition that never embraced the Judeo-Christian strictures found in the West. "Until the Meiji period [when late 19th-century Japan began to accept ideas from the West] the Japanese had much more acceptance of the body and its functions," says Joseph Precker, visiting professor of psychology at Tokyo's Sophia University. As a result, the Japanese today have "more open and healthy sexual attitudes," he feels. "I don't think this child thing is considered as exciting here as it is in the West. In Japan it's more innocent." It is certainly more open. Lolita picturebooks sell in quantity bookstores, next to magazines on sumo, golf and personal computers.

The Lollitas seem to appeal to a broad market. As expected, middle-aged men and teenage boys form the most ardent audience, according to a survey. A surprising number of women are boosting sales too. Some purchase books and posters for their husbands. One woman said she bought a book for her son as a "reward" for passing his high school admission examinations. But, according to the magazine survey, many women apparently buy Lolicom books simply because they like them.

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Such undertones have apparently done little to dissuade potential Lollitas. Junko Shizuka, a woman photographer specializing in Lollitas, says she usually chooses about 5 models from close to 100 applicants, daughters of friends and acquaintances. She always seeks parental approval, she adds, which is easily granted in 9 out of 10 instances.

The money can be good — Ishikawa paid a young foreign model 30,000 yen (about \$120) an hour to pose for his latest Lolita picturebook. Many parents apparently believe posing will lead to an "artistic career" for their daughters.

Indeed, some may even want to get into the act. One dewy 13-year-old girl recently posed twice for a newsmagazine — alone on the beach in the buff and at the breakfast table, fully clothed and calmly sipping orange juice in the company of doting parents and younger siblings.

Now that they are to read V.S. Pritchett, they would be reading about themselves, because Pritchett obeys the literary axiom that a writer should write about what he knows best. In his case, it was the world of clerks, shopgirls and small businessmen that he was born into and grew up in and which he vividly describes in his two-volume autobiography *"A Cab at the Door"* and *"Midnight Oil"*. To increase the dignity of that world in the eyes of readers has been a by-product of his literary mission.

The Pritchett family chased prosperity through a series of flats and houses in unfashionable London suburbs, with occasional sojourns to the native Yorkshire of Pritchett's father. Sir Victor was the oldest of two brothers, and after an apprenticeship in the London leather trade, escaped to Paris in his early 20s in a successful effort to set free his imagination and find himself.

He later traveled to Ireland and then lived in Spain for two years as a reporter for The Christian Science Monitor. He has said that the Spanish landscape, language and temperament changed his life and helped evolve his literary style.

Ireland also affected him. "I was very much influenced by Irish writers when I was first writing, partly because I lived in Ireland and I enjoyed being in Ireland," he says. "There's a different kind of imagination there, a different kind of attitude to writing. The Irish can't really write novels, not very good ones; it's something to do with the fragmentation of Irish life. Whereas here we have such a solid society sitting on us so very heavily, it doesn't come so naturally to us to write about ourselves."

Out of the world of his early upbringing came the typical Pritchett hero — the man without much money who has big dreams that never quite come true, the person whose efforts at happiness and excellence are crushed by the world, but who bears up in spite of it.

Pritchett developed this specialty, he says, because of the extraordinary example his father provided him of the man who lives in a well-furnished fantasy world. "He thought of himself as an extraordinarily rich businessman, which of course he wasn't, at all," Pritchett remarks.

His father also retreated into his own version of Christian Science to buttress his economic ambitions. As a result of his father's use of religion, Sir Victor died as a young man from the comfort of philosophies and religions and has remained agnostic.

In Pritchett's stories, there are many dreamers: Mrs. Coram, who dreams she deserves a more dashing husband; Mrs. Bittell, under the illusion that people should be nicer than they are; the old man in "The Spree" who propensity for visions of a more delightful world.

Pritchett says: "He went out with a vision; it turned into a rambling dream."

Pritchett himself is unapologetic about this pessimism.

"Life is tragic in a way," he says, seated on the couch in his murky green living room. "There's so much conflict. There's a revival of conflict, perpetual conflict which seems to go on. One has to fortify oneself to live with that, in fact identify yourself with it, really. I believe in identifying myself with life as it is, life as it appears to be."

Afternoon shadows have almost immersed the living room in darkness, but Pritchett resists all temptation to turn on a light. The only relief from the room's serious mood is a glass case containing stuffed exotic birds, an obvious reminder of the many unusual human specimens the author has collected.

This self-confessed obsession with "life as it appears to be" is reflected in Pritchett's unobtrusive, clear writing style, extolled by countless English teachers as an example of the best way to write.

"I've become what I call a plain writer in the sense that I want to be plain enough for life to come shining through rather than to impose literary ideas," he explains.

"The Spaniards have a rather clear, definite way of writing, rather hard, as though each word had to sound. That has always been an ideal of mine. A word mustn't sound above itself — it must have its own natural sound."

Yoko Ono Presents 'a Different Me'

by Robert Palmer

NEW YORK — Reminders of the murdered John Lennon are everywhere in the spacious Manhattan apartment he shared with Yoko Ono. Collages made from magazine and newspaper clippings are framed and hanging in a hall, a guitar he gave to their son, Sean, is in his room, a "Double Fantasy" shrub furnished the title for the last album Lennon made with Ono is potted in a planter in the kitchen.

But Yoko Ono's new album, "It's Alright," seems to reflect a renewed sense of independence and purpose. Her last album, the brooding "Season of Glass," used most of the musicians and engineers who worked with Lennon and Ono on "Double Fantasy," and it appeared on Geffen Records, the label run by her friend David Geffen. "It's Alright" is on Polydor and features a completely different cast of musicians and engineers.

It is also a pop record to a much greater degree than any of Ono's previous albums. Instead of the avant-garde vocal gymnastics and abrasive textures of her most familiar earlier work, one hears echoes of 1950s rock and roll, and, Mowtown, lyrical synthesizer melodies, even a catchy singalong chorus or two.

"Did you hear?" Ono asks excitedly, "my single is getting played on the radio in places like Iowa? They never played my music there before. When I went in the studio this time, I decided I wanted to be very careful not to be too far-out or self-indulgent. I enjoyed myself, I didn't compromise, but I felt that compared to the last time I was recording, which was just after John died, I was a different me."

When John was alive, he took care of the rock-and-roll side of our music and I wasn't about to compete with him on that. With hindsight, I think a lot of what I was doing then was directed more at my fellow artists than at anyone else. This time, I felt that I was talking to all the people who have written to me, all the fans out there. John used to tell people, 'She knows as much about rock and roll and pop as most people do.' After all those years with him, that music is part of my life."

Ono contributed to "Double Fantasy" even though only a few of them were really hit singles. The release makes sense commercially, but it certainly cannot be construed as a vote of confidence in Ono.

With her Polydor album, an album made by a team of musicians and engineers she put together herself, Ono is no longer competing with her earlier work as half of the Lennon-Ono team. She can be reasonably certain that from now on her work will stand or fall on its own merits. And she very much wants it to succeed.

"John and I subtitled 'Double Fantasy' a 'heart play,' and I've called it 'It's Alright' an 'air play,'" she says. "That's kind of a joke, but I am hoping it will get air play. I think with all that I've been through, the music that's come out of it should have some sort of healing power, and I want it to really circulate."

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TRAVEL

From Sri Lanka, a Complaint

by Nick Stout

COLOMBO, Sri Lanka — On the map, this tropical Indian Ocean island looks like one of the many mangoes it is made of. Some might even like it to a pearl, if they have been here long enough to understand why Marco Polo called Ceylon "the finest island of its size in the world."

But if a tourist's first impressions are the truest, then Sri Lanka is neither mango nor pearl. To this visitor at least, it is a teardrop, shed for the dearth of dignity in a jungle of beggars and under-age touts, where palms of flesh, lean and outstretched, seem to outnumber the coconut variety.

More than poverty must be at play, because the poor in Asia are not always so bereft of pride. If there was a colonial sense of servitude and humility, then it has not disappeared, but has been ironically exaggerated to exploit Western wealth. In any event, the harassment is always there, on the street, in any hotel.

Colombo transportation is never a problem. Here is one of those cities in which taxi drivers hail riders, instead of the other way around. Or rather they hail walkers. Morris Minors and trishaws approach at every corner, on every block. Is it inconceivable for a tourist to want to explore a city on foot?

Throngs of teen-aged boys wait outside any guest who shows his face at the entrance. They pounce upon those who venture outside the hotel grounds and badger with offers of cheap taxi rides and pleas for rupees, T-shirts and ballpoint pens. They spoil what could be a

pleasant walk through the country greenery, among the unleashed goats and cows that wander along the road.

Worse is the city-street approach: "Excuse me, sir, where are you going?"

You are en route to a local doctor, but you explain that you are strolling about the town — alone. That, of course, will not do.

You must immediately follow your interrogator to his uncle's batik shop, or consider buying gems from his sister, or, at the least, accompany him to the nearest Buddhist temple.

You try to converse, but his English is limited, a vocabulary with a purpose. Your questions and comments draw little more than the Sri Lankan equivalent of a nod, a sideways wiggle of the head that is more akin to the Western no. Your unsolicited guide is steeped in patience: He will sit in the waiting room while you consult with the doctor. He will follow you into a bookshop and stand by the door while you browse. Finally, after you have agreed to visit his temple, he will ask for "a little gift" and open his palm — a grown man, the father of four sons, pleading with the passing of a puppy.

The pity is that this harassment at every turn can keep the visitor from appreciating the island's charm. Because, for all its warts, Sri Lanka is also taking afternoon tea on the terrace of the Tissawewa Resthouse in the pastures of the ancient capital of Anuradhapura and suddenly encountering a monkey on your table stealing cookies.

It is the adolescent who, sporting a tourist, runs full speed until he passes a few yards ahead of his object, whereupon he quickly blocks the path by sitting cross-legged on the

sidewalk in his plaid sarong, opening a disk-shaped basket and musically enticing his perch to the vertical position.

It is the secretive young couple finding privacy along the expansive seafront in Colombo, behind a wall near the railway tracks, their faces carefully hidden under a wide parasol.

It is the boy on the beach selling for a rupee banana-sized wedges of pineapple that he carries in a washpan on his head.

It is the grand harborfront dining room of the Taphrobana Hotel, where four waiters in starched white coats greet the customer at the door. The style is elegant and the service impeccable. Only later are the waiters discovered to be, all of them, barefoot.

It is worshiping a 2,000-year-old tree — and the corresponding legends in its long branches and spade-like leaves — as the most sacred object in the country except for Buddha's tooth. The Bodhi Tree in Anuradhapura, which legend says was planted as a sapling taken from the tree under which Buddha attained enlightenment in northern India, is reported to be the earliest recorded living tree in the world. And not without great power.

When the English trader Robert Knox escaped three centuries ago after two decades of captivity in the kingdom of Kandy, he recounted a popular superstition. Writing of the sacred Bodhi Tree, Knox explained: "It is held mortiorous to plant them, which they say, that does, shall dy within a short while after, and go to Heaven: But the oldest men onlye that are nearest death in the course of Nature, do plant them, and none else; the younger sort desiring to live a little longer in this World before they go to the other."

CHRISTMAS BOOKS

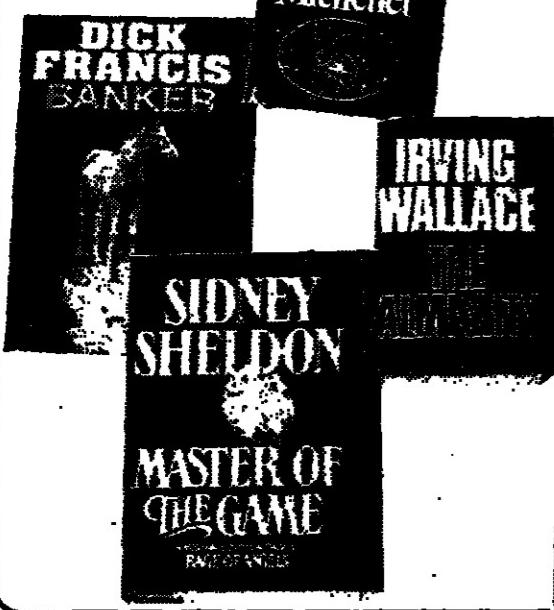
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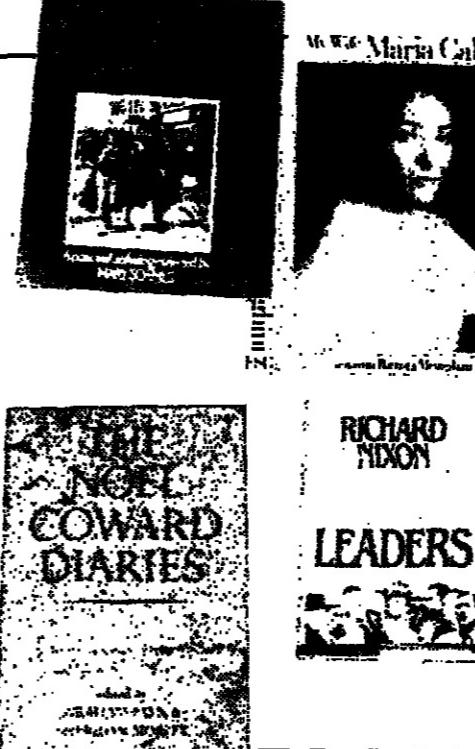


Michener's new novel SPACE is based upon American exploration into space and Sidney Sheldon combines a family saga and murder in MASTER OF THE GAME. The Almighty is the story of one man's obsession with power.

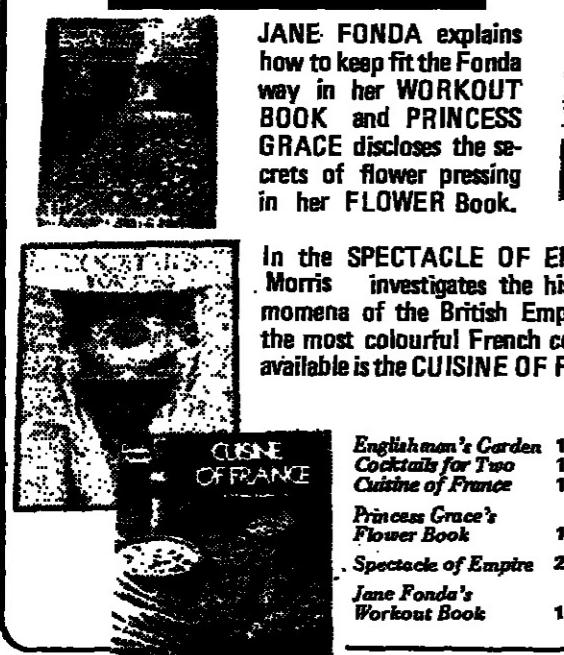
Dick Francis fans will be pleased to be given his newest book whilst in SPELLBINDER, Harold Robbins is at his best. Richard Nixon reminiscences about men who have shaped the world in LEADERS whilst Noël Coward details characters in his DIARIES. Ideal presents are a unique photographic portrait of the CHURCHILL family and a personal biography of MARIA CALLAS by her husband.

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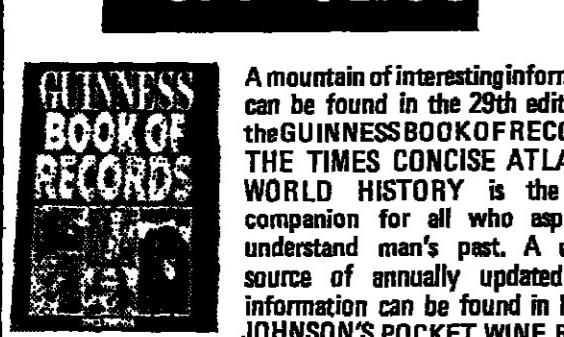


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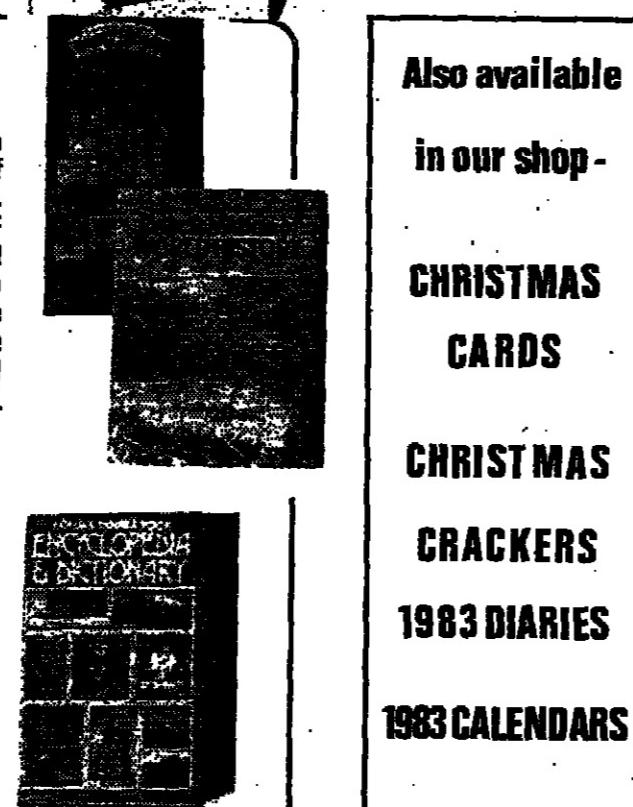
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INTERNATIONAL DATEBOOK

ROCK — Dec. 4 and 5: Ultravox.

Dec. 9-16, 19-24: Elton John.

•Royal Academy of Arts (tel: 734.34.71).

EXHIBITION — Dec. 7-Feb. 6: "The Royal Opera House Retrospective 1734-1982."

Royal Opera House (tel: 240.10.66).

Royal Ballet (tel: 93.18.22).

"Romeo and Juliet" (Tchaikovsky). Rudolf Nureyev choreography. Raymond Paul (Paul II) (Glazunov). "Reservoir" (Ariotti).

Radio House (tel: 1345.31).

Concert Hall — Dec. 2: Radio Symphony Orchestra, Michael Schonwandt conductor.

Dec. 9: Water Kline piano (Beethoven, Schubert, Schoenberg, Brahms).

Staatsoper (tel: 5324.2345).

BALLET — Dec. 7: "Romeo and Juliet" (Prokofiev). Caspar Richter conductor.

OPERA — Dec. 4 and 10: "Tosca" (Puccini). Anton Gudagno conductor.

Dec. 5, 8, 12: "Pique Dame" (Tchaikovsky). Dimitri Khaenzi conductor.

Dec. 10: Radio Symphony Orchestra, Oliver Knussen conductor.

"Traviata" (Verdi) (Grainger, Grieg).

Radio House (tel: 1345.31).

Concert Hall — Dec. 2: Radio Symphony Orchestra, Michael Schonwandt conductor.

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Concert Hall — Dec. 9: "Salomé" (R. Strauss).

Hörst Stein conductor.

JAZZ — Dec. 6: Chico Freeman Quintet.

TELEGRAM

INTERNATIONAL DATEBOOK

DENMARK

COPENHAGEN, International Jazz

Monarchs (tel: 11.44.67).

JAZZ — Dec. 4 and 5: Blatz.

Dec. 6: Radours Big Band.

Dec. 8: Hawk on Flight.

Dec. 9: Pierre Dorgé Group.

Dec. 10: Papa Bues Viking Jazz Band.

"Louisiana Museum of Modern Art

(tel: 19.07.19) — To Jan. 16: "Gauguin on Tahiti."

Radio House (tel: 1345.31).

Concert Hall — Dec. 2: Radio Symphony Orchestra, Michael Schonwandt conductor.

Dec. 9: Water Kline piano (Beethoven, Schubert, Schoenberg, Brahms).

Staatsoper (tel: 5324.2345).

BALLET — Dec. 7: "Romeo and Juliet" (Tchaikovsky). Rudolf Nureyev choreography. Raymond Paul (Paul II) (Glazunov). "Reservoir" (Ariotti).

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JAZZ — Dec. 6: Chico Freeman Quintet.

TELEGRAM

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TRAVEL

Christmas Shopping: In Dublin

by Kevin McKenna

DUBLIN — Dublin was settled by the Vikings, and its streets were laid out under the British. Even Christmas (or Christianity, in this case) was brought to Ireland by foreigners, notably St. Patrick. But along Dublin's shopping streets this Christmas one has no trouble in finding gifts that are wholly Irish, from food and drink, to traditional cottage crafts like wool sweaters and tweeds.

Most shops handle mail orders, but the deadline for sending Christmas parcels abroad is this weekend. After that, there are no guarantees, and gift-givers may have to settle for Twelfth Night presents.

The Kilkenney Shop at Seánadha Center, Nassau Street (tel: 77.70.66) is an outgrowth of the Kilkenney Design Workshop, a government project to promote good design. Its strength is textiles, such as a linen set of four place mats and four napkins with drawn edgework, for £18.15 (about \$24) or shawls of wool, mohair, or alpaca from £13 to £22. But it is also an excellent place to shop for toys. Cushiony animals — dolphins, rabbits, sheep — of corduroy fabric and non-toxic stuffing range from £3 to £16; simple but sturdy wooden animals with wheels are £3.40.

Another government-sponsored venture is The Craft Gallery at Powerscourt Townhouse Center, South William Street (tel: 71.08.24), which has 10 shops with crafts ranging from crystal to handmade shoes. Among the artisans is Felicia O'Connor, who learned to work leather in another Celtic stronghold — Lorien, Brittany. Her products, many of them with traditional Celtic designs, include handbags (£16 to £37), belts (£12.50) and foldaway tripod stools (£30 to £36).

Ireland is known for its butter and cream, but its cheeses have not enjoyed much of a reputation. There are efforts to change that, and a showplace for those efforts is The Dairy Shop, at Powerscourt Townhouse Center (tel: 71.13.00). For Christmas, the shop is offering £8 gift boxes with 2 to 2½ pounds of cheese in three varieties — St. Kildian, a soft, Camembert-like cheese from County Wexford; Gigginstown, which is like a mature, rich farmhouse cheddar, from County Westmeath; and Bonane, a dry cheese from County Kerry that is made from cows' milk but tastes like a sheep's-milk cheese. All are handmade on small farms; Paul Corcoran, who works in the shop, says they are twice the price of average Irish cheeses but are "exceptional."

Also in Powerscourt is Posh Nosh, which consists of three carts at which Kevin Browne sells Irish smoked salmon and other items. A two-pound portion of salmon ranges from £8.95 to £11.95 and keeps for three weeks. Mail orders can be arranged for £19.50 to £23.50, including wrapping, mailing and a Christmas card featuring a drawing of the Galway fish market. Browne also sells Ballyratty mead, a fermented drink of white wine, spirits and honey that was quaffed (so they say) in medieval times. A 70-ounce bottle is £3.99, a decorative ceramic jug with the same quantity is £10.95.

Dublin's best known spot for baked goods, Bewley's, at 78 Grafton Street (tel: 77.67.61), has a seasonal specialty: Irish Christmas pudding. It is a rich, cake-like mixture that includes dried fruit, rum and sherry, and is steamed for an hour and a half before serving. Unlike many homemade Irish puddings, however, those at Bewley's contain no stout. They come in four sizes, from 1½ pounds (four to six servings) for £5.50 to 6½ pounds for £17.95.

Brown Thomas, at 15 Grafton Street (tel: 77.68.61), one of Dublin's two big department stores, has an extensive food section, and one of its specialties is Irish whiskey marmalade. It is sold in an earthenware pot for £5.95 or in a glass jar for £2.10. The whiskey marmalade — the active ingredient is more for taste than for potency — is also part of a £12 "breakfast hamper" that includes Irish clover honey and lemon marmalade.

Swizzlers, at 92 Grafton Street (tel: 77.68.21), the other big department store is across the street, and because it is owned by the same company as Waterford Glass, its crystal selection is probably the best in Dublin. The more modestly priced items include a small jam jar with lid (£19.64); a 11-ounce wine carafe (£35.95); and a cream jug and sugar bowl (£40.30 for the set). On orders mailed out of Ireland, there is no value-added tax, so about 23 percent can be subtracted from these prices; however, the cost of mailing, handling and insurance usually offsets the savings on VAT. (The best buys for travelers on crystal, china and the like are at the airport duty-free shops at Dublin or Shannon. The selection at Dublin Airport, however, is limited; the Shannon shop is vast.)

And in Switzerland

by Mavis Gutinard

BUCHILLON, Switzerland — Giving is a tender, tiring and troublesome game we all must play once a year. The deadline is now. For all of Switzerland, the post office will guarantee Christmas delivery if you mail before Dec. 19, but packages for the United States and the rest of Europe must be posted and sent early in December.

For the least possible hassle, best pick a gift that weighs less than a kilo, including the wrappings. This avoids filling out customs forms in triplicate — you only have to describe contents and weight on a green sticker. At the post office, you'll find various sizes of cardboard boxes, with pre-cut string and labels. A No. 1 pack could hold the equivalent of 4 pocket books nicely, weighs 120 grams and costs 1.20 Swiss francs (about 50 cents).

The *petit paquet* category — with no letter enclosed — offers the most flexible rates and costs third less than regular airmail. For very light gifts, padded envelopes (from stationers) weigh about 50 grams.

Some Swiss-made gifts that are easy to mail:

For those who find the real thing too expensive, the new bright-red Swiss passport is a steal at 12 Swiss francs. In three of the official languages plus unofficial English, it tells all you ever wanted to know about 591-year-old Helvetia, from the rules of her government to those of that intriguing game of *jeu* that keeps your Swiss friends solemnly content for evenings on end. Weight: 160 grams.

In Lausanne, one of the many shops that carry it is Art Suisse, Rue Eming 8 (tel: 021/20.81.80), which specializes in handicrafts that are design and not kitsch — wood, weave, glass and pottery. Cotton cushion covers with peasant motifs are small enough to fold into an airmail envelope: 24 francs for 10 grams. Trendy, pure-wool paisley shawls are 69 francs with fringe (120 grams) and 59 without (80 grams). A rainbow-colored mohair shawl is 225 francs (250 grams); a single cotton place mat with Alpine flowers, and matching napkin, 14.50 francs (60 grams). Pottery biscuit molds, 7 francs (80 grams). Similar handicrafts can be found in most Heimatwerk outlets in such cities as Bern (Kramgasse) or mountain resorts such as Wengen or Saanen.

Just down the street in Lausanne, at Rue Eming 6, a creative young jeweler has filled a Christmas shopwindow with fun jewelry in plastic, wire and rubber. A mix-and-match kit for a teenager: 50 francs (20 grams) at Tox en Kit (tel: 021/20.03.86).

To get through the holiday season without a smile, the Swiss believe in the virtues of cynamorédon (rose hip) tea. Packed with Vitamin C, 72 grams sell for 1.30 francs at the tea shop at Rue Eming 4 as well as at most of the natural-food stores.

With a special cook in mind, Boutique Shopping, at Place Benjamin Constant 2 (tel: 022/22.12.21) a trove for house gifts, has a recipe book bound in hand-blocked calico. The blank pages in recycled paper won't mind an extra cooking stain or two; 22 francs (275 grams). Most bookstores also have another gift for those who love to cook: Frédéric Girard's "Cuisine Spontanée" at 49.50 francs (672 grams).

Wanda Lassere, a Lausanne mineralogist, at Rue Etraz 3 (tel: 021/23.30.43), has the oldest Swiss gift of all: Shells fossilized 168 million years ago in the sediments of the sea that covered all Switzerland then. Ammonites can be large or small, rough or split down the center and polished to bring out pattern and hues. Prices vary from 12 to 400 francs, according to size, clearness and beauty. One beige ammonite at 75 francs weighed 150 grams.

Mixing the Old and New West in a Hotel

DENVER — The year after the electric light bulb arrived in Denver, a triangular cow patch with a sweeping view of the Colorado Rockies was transformed into one of America's most elegant hotels.

Ninety years old now, the Brown Palace is marking its birthday by publishing a 91-page history written by a staff member, Connie Hunt. Not many hotels have their own historians, but, then, this is a hotel with a past.

The Brown Palace has witnessed the metamorphosis of Denver from "the Queen City of the Plains," a Western outpost, to a metropolis of almost two million people. Like other grand old hotels, it tries to balance charm and modern convenience.

The effort has paid off. Summer bookings were at capacity, filling rooms that once rented for \$1.50 a night and now command as much as \$500 a night (more modest accommodations in the new hotel tower can be had for \$300). Not just jet-setters and oil magnates, but



Illustration by Roger Tewell.

With all its poets, playwrights and photogenic countryside, Ireland has figured in more than a few books. A large selection is available at Fred Hanna, at 27-29 Nassau Street (tel: 77.12.55). Of the coffee-table variety, some recent arrivals are "Ireland Revisited," by Jill Uris (£19.14) and "The Grand Irish Tour," by Peter Somerville-Large (£16.58). In the James Joyce centenary year, offerings include a boxed set of five Joyce volumes in paperback (£11.04) and "James Joyce's Odyssey: A Guide to the Dublin of 'Ulysses,'" by Frank Delaney (£8.58 hardcover, £3.78 paperback).

Part of Joyce's Dublin was the Dublin Woollen Company at Halfpenny Bridge, (tel: 77.50.14), for which, at his own initiative, the author served as a European agent before World War I. It appears, however, that he did no more than to clothe a few of his Trieste students in the company's tweeds. Those tweeds today include ties from £3.25 to £3.78; caps from £9.50 to £7.75; and hats from £6.95 to £12.50.

The crafts at House of Ireland, at 37-38 Nassau Street (tel: 77.74.73), include handmade, tweed-clad dolls of craftsmen themselves — a turf cutter, a candlemaker, a weaver — for about £15. There are also hand-woven, hand-dyed shawls of Gossamer tweed for £17.95, and tweed scarves from County Donegal for £7.65.

Fergus O'Farrell, at 62 Dawson Street (tel: 77.08.62), makes solid brass door knockers with Irish themes, including one for £25 based on the Claddagh ring. He also has made a brass doorknob (£45) based on the Derrynahann chalice, a recent archaeological find that is at least 1,200 years old.

Ireland's best-known charity, the Irish Hospital Sweepstakes, Ballbridge, Dublin (tel: 68.76.11), may have the ideal item to go in stockings and greeting cards — a £2 ticket that could bring up to £100,000, the quarterly top prize. Thirty percent of the proceeds go to support Ireland's volunteer hospitals, and over the last 30 years that has added up to £120 million.

Irishmen's Christmas shopping is concentrated in the city's two big department stores, Powerscourt and Brown Thomas, both of which have extensive food sections, and one of its specialties is Irish whiskey marmalade. It is sold in an earthenware pot for £5.95 or in a glass jar for £2.10. The whiskey marmalade — the active ingredient is more for taste than for potency — is also part of a £12 "breakfast hamper" that includes Irish clover honey and lemon marmalade.

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Rest Stop Ahead in Luxembourg

by John Vinocur

LUXEMBOURG — The Michelin guides don't really rate cities and countries, but they come close, using a nice subterfuge for telling readers what they think a visit here or there is worth. If you look carefully, Michelin distributes stars in its red guides under the heading "Things to See" before they get around to the more primary business of eating and finding accommodations. Listings for some of the rough-edged industrial towns in western Europe where you can get an outstanding meal are left blank when it comes to sightseeing. Places like Bonn and Düsseldorf are given one star, for example, while Munich, Berlin, Bruges, Brussels, Amsterdam and The Hague, among others, get the maximum, three stars.

Luxembourg, the city, according to Michelin, has attractions worth two stars. It's an honorable score if you compare it with the competition, and it seems to speak for the country, too. There is nothing overwhelming about the Grand Duchy, but it is a pleasant, pretty place for a day or so of looking around, with a couple of unusual areas (rated three stars) in the countryside that show that Michelin is a pretty fair marker after all.

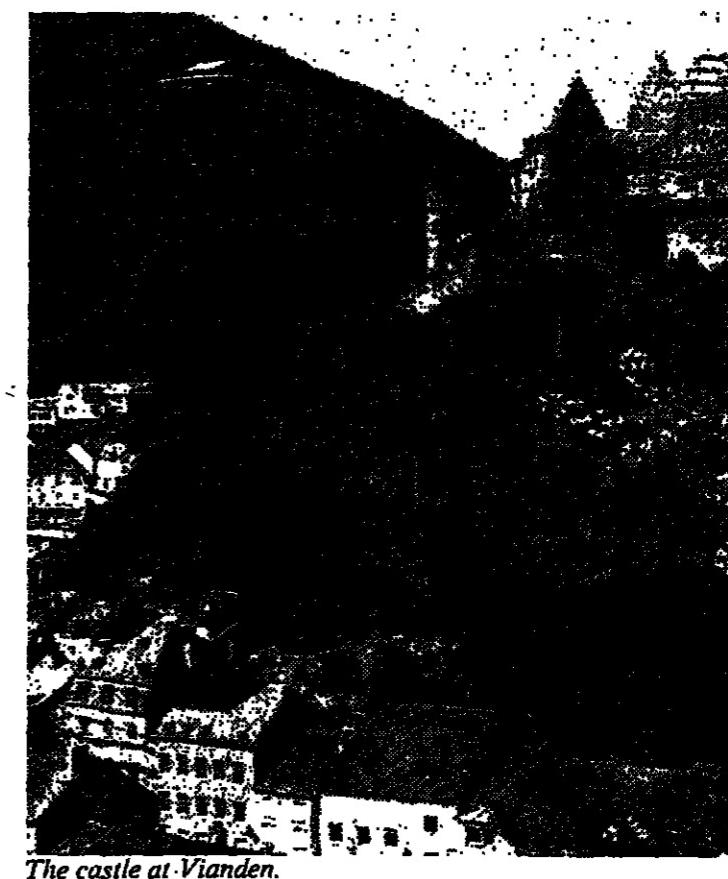
Dealing with the place requires a small dialectic interlude: Luxembourg is not a Tinker Toy country. It has a serious steel industry and an ambitious banking community. It has 350,000 citizens and many more foreign residents. It is also a country with real problems. It had its first general strike in history just before Easter, and its currency, linked to the Belgian franc — and gently referred to as the Flux, for *franc Luxembourgeois*, by the English-speaking community — was devalued this spring.

If we were spending a day or two in Luxembourg, I'd poke around in the old town a bit, but budget most of my time for renting a car and getting into the countryside. In the capital, there's a deep ravine to look into and some modern office buildings just out of town, including the European Court of Justice, but they are much less fun than heading toward the Müllenthal, which is spelled up to three different ways on maps, depending on whether the designation is in German, in the local dialect or in French, in which case it is usually given as the *Vallee de l'Ernz Noire*.

The Müllenthal was the Dublin Woolen Company at Halfpenny Bridge, (tel: 77.50.14), for which, at his own initiative, the author served as a European agent before World War I. It appears, however, that he did no more than to clothe a few of his Trieste students in the company's tweeds. Those tweeds today include ties from £3.25 to £3.78; caps from £9.50 to £7.75; and hats from £6.95 to £12.50.

The crafts at House of Ireland, at 37-38 Nassau Street (tel: 77.74.73), include handmade, tweed-clad dolls of craftsmen themselves — a turf cutter, a candlemaker, a weaver — for about £15. There are also hand-woven, hand-dyed shawls of Gossamer tweed for £17.95, and tweed scarves from County Donegal for £7.65.

Fergus O'Farrell, at 62 Dawson Street (tel: 77.08.62), makes solid



The castle at Vianden.

for hiking, but on the Sunday morning we were there a bus arrived at the one official parking place around 10 o'clock, releasing 80 or so day-trippers on a collision course with natural perfection.

To get there, starting from Luxembourg city, take Route E42 in the direction of Echternach to the Junglinster crossroads. Turn off to the Müllenthal, which is spelled up to three different ways on maps, depending on whether the designation is in German, in the local dialect or in French, in which case it is usually given as the *Vallee de l'Ernz Noire*.

The Müllenthal is a quite lovely valley along a river called the Ernz Noire (so called even in German guidebooks). The road follows the river closely through stone cliffs overgrown by forests on both sides of the stream. The river runs swiftly, with waterfalls and little cascades, and most of the year the ground is covered with rust-colored leaves. The tones are unusual, and the scale of things so small that it seems like a setting for elves, with not a house in sight.

If you drive into the Müllenthal early in the day, you're guaranteed a magnificent feeling of isolation. Good paths exist

Michelin, whose critical brief ranges to castles as well, gave a star to both the ones at Vianden and Beaufort, the town where Victor Hugo once lived in exile, is a bit touristy, and we drove on to Echternach, a small, graceful town with a handsome market square and a town hall dating from 1444. The buildings are mostly of warm yellows and browns, and the proportions are soothing.

We ate some pretty good French fries in Vianden, but that really wouldn't have counted much as a test case for *cuisine Luxembourgeoise*, which Gaul and Milieu, the other important French raters and critics of cooking, say is sturdy, honorable and just a bit conventional.

Later, there was a short discussion of how to define Luxembourg's specificity. It's not easy, because the French and German influences overlap, and it would take a sociologist to pull them apart. This much is clear: They've lived under the Burgundians, the Spanish, the French, the Austrians, the Prussians and the Nazis. They don't offer advice, superiority or chaos. It's an easy, relaxed place to visit.

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INTERNATIONAL BUSINESS / FINANCE

FRIDAY, DECEMBER 3, 1982.

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BUSINESS PEOPLE

Renault Moves to Trim Truck Losses

Pierre Sémeréns

Renault has installed new leadership at its money-losing truck division. Pierre Sémeréns has been named head of the division, replacing François Zamard, who resigned after 24 years with the French automaker.

Pascal Périn de Serre, assistant financial director and a board member at American Motors Corp., will take on the additional duty of director of planning and control for Renault's car division, replacing Mr. Sémeréns.

Renault Vehicles Industrielles, the truck division that dominates the French heavy vehicle industry, was responsible for a large part of the state-owned company's losses last year. RVI, which accounts for 14 percent of Renault's business, showed a loss of 308 million French francs (\$44 million), and a larger deficit is expected in 1982. The company as a whole registered a deficit of 675 million francs in 1981.

Ossola Named to EC Bank Group

Riccardo Ossola, chairman of the Banco di Napoli, has been named president of the Banking Federation of the European Community for two years. Mr. Ossola joined the Bank of Italy in 1938 and retired as director-general of the central bank in 1975. He was Italy's minister of foreign trade from 1976 to 1979. The EC Banking Federation, representing the 10 member nations' banking associations, with 1,900 member banks, acts as a lobbying group with EC organizations.

2 VW Executives Trade Countries

Two Volkswagen executives—one in Wolfsburg, West Germany, and the other in Troy, Michigan—are exchanging jobs for two years in an effort to inject European engineering expertise into VW's U.S. operations. Volkswagen of America has announced Duane Miller, vice president of engineering for the U.S. subsidiary, will join the research and development department at Volkswagenwerk in Wolfsburg while Helmut Carl, project manager for the A-class (Rabbit type) vehicles at Volkswagenwerk, will join VW in Troy as acting vice president of engineering.

Other Appointments

TURNER & NEWALL PLC, Britain's largest manufacturer of asbestos products, has named Sir Francis Tombs chairman, following the resignation of Stephen Gibb.

MARSH & MCLENNAN, the insurance brokerage and risk management firm, has a new president and chief operating officer, Bruce W. Schmitz. He replaces Robert Clements, who was named vice chairman of the parent company, Marsh & McLennan of New York.

AMERICAN EXPRESS INTERNATIONAL BANKING CORP. of New York has appointed Nazif Fawzi to the new post of assistant vice president. Based in London, Miss Fawzi will advise private clients in the Middle East and Europe, placing special emphasis on investment services for women.

TIME MAGAZINE has announced these senior advertising staff changes in Europe: Christian P. Bardin, continental advertising director in Paris to associate publishing director-Europe; Ben O. Larsen, division manager in London to European development manager; Gerard E. Baumgarten, Paris office manager to divisional manager in London; and Alain Ranchou, Paris office staffer to manager.

NATIONAL ADVANCED SYSTEMS (EUROPE) of London, a supplier of computer systems and software and a subsidiary of National Semiconductor, has appointed Massimo Baratta to the new position of European director of product marketing for large systems.

JOYO BANK, a Japanese regional bank based in Mito, has opened a London representative office headed by Akira Hidose.

GOSSET S.A. has named Jan C. Vermeijden general manager. The Brussels-based cigarette manufacturer is a unit of R.J. Reynolds Tobacco International, owned by R.J. Reynolds Industries, the largest U.S. cigarette producer. Mr. Vermeijden, also vice president and general manager of Reynolds' Benelux region, succeeds Camille Frere, who joined Gosset's new board.

MCCORMICK FOODS (U.K.), the British subsidiary of McCormick & Co., a Baltimore-based producer of seasonings, flavorings and specialty foods, has promoted Roy Goodall from national sales director to managing director, succeeding Stanley M. Freedman, who was named the parent company's director of operations-Europe, a new position.

JUDITH ANN YABLOKOFF

British Cable-TV Plan Stresses Private Sector

By Bob Hagerty
International Herald Tribune

LONDON — The British government came out in favor Thursday of giving private companies considerable latitude in developing cable television.

"Private investment and market forces" should largely determine the course of cable in Britain, Home Secretary William Whitelaw said in Parliament. He outlined the Conservative government's broad plan for cable-television and said legislation would be proposed early next year.

Britain's government, along with those of West Germany and France, see cable television as a means of creating jobs and export potential.

Towards that end, Mr. Whitelaw also provided a further sop to potential cable operators by holding out the possibility of allowing some programs on a pay-per-view basis, under which programs would be sent only to subscribers who agreed in advance to pay for them.

Such programming is needed to finance the laying of cable, some industry leaders insist. A spokesman for Racial Electronic, for instance, said this week that without pay-per-view, there will be no big money in cable.

Opponents of pay-per-view argue that it would deny certain cherished televised events to much of the country. Mr. Whitelaw said that perhaps programs could be offered on a pay-per-view basis if they would not otherwise be shown on national television.

Labour Party members protested bitterly against the government plans, suggesting instead a national cable network run by British Telecom and using highly sophisticated technology. They describe the government's planning for cable as precipitous and said they feared a flood of low-quality American programs provided by companies out to make quick profits.

Labor members also said the government appeared willing to allow cable companies too much freedom to show pornography. An electronic locking device has been proposed as a way to let parents regulate what programs their children watch. But a Labor member remarked, "the only people capable

of handling an electronic lock are children."

Another Labor member warned cable companies that his party, when it comes to power again, intends to "rectify the cable-television system that the Conservative Party is putting into place."

As such debates rage, many analysts have grown more skeptical in recent months about the profit potential of cable in Britain. Nonetheless, dozens of companies have expressed interest in the business, provided that the government sets down attractive rules.

The deterioration in new orders was particularly heavy for factories

that make "big ticket" durable goods from heavy appliances to machinery. Their orders were down 4.6 percent in October, a decline nearly unchanged from the preliminary estimate of a 4.9-percent drop for that category made by the department nine days ago.

With an increase in new orders necessary for recovery from the 15-month-old recession, the latest news dealt a blow to hopes for an economic upturn.

The figure—making October the worst month for new orders in the current recession and the poorest since June 1980—also dimmed prospects for a decline in unemployment.

The deterioration in new orders was particularly heavy for factories

for the auto and related industries, including mobile homes, the decline in orders was an enormous, 17.4 percent during October. Construction materials orders dropped 2.4 percent.

The steel industry and other primary metals orders fell 12.6 percent. Machinery orders were down 4.9 percent.

The total value of all new manufacturing orders was \$150.1 billion.

(Continued on Page 15, Col. 7)



The New York Times

Slow to Keep Up with the Times, Swiss Watch Industry Is in Slump

By John Tagliabue
New York Times Service

BIENNE, Switzerland—U.S. Switzerland's delicate economy can be described as a finely tuned watch, then something seems seriously wrong with what might be called its mainspring.

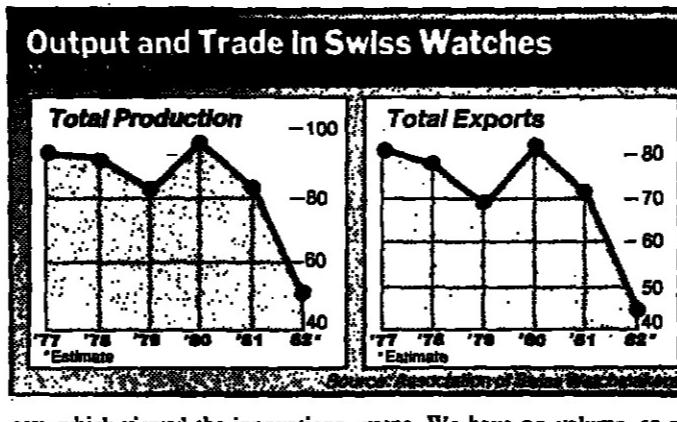
From one viewpoint, the watchmaking industry is fundamentally healthy. That, at least, is the opinion of Ulrich Spycher, chairman of Sté. Suisse pour l'Industrie Horlogère, the group that makes Omega and Tissot watches.

Swiss watchmakers have managed to remain at timekeeping's technological cutting edge, and some exclusive houses—like Piaget, Patek Philippe and a dozen others that produce luxury timepieces—are flourishing.

Last year, the industry shipped \$2.1 billion worth of watches abroad, more than 90 percent of production, according to Theo Radja, chief economist at the Watch Industry Association here.

Their high added value, he said, puts them among Swiss industry's most lucrative foreign-exchange earners. But that is only part of the picture. Competition and modernization have cost the industry dearly in the last decade.

As Mr. Spycher and other watchmakers tell it, the industry was caught napping in the 1970s when quartz silicon and electronic digital movements revolutionized timekeeping. Though the Swiss generated much basic technology, their conservative marketing strat-



egy, which viewed the innovations as specialties rather than alternatives, allowed aggressive Japanese competitors such as Seiko and Citizen Watch to beat them to the marketplace.

To catch up, the Swiss spent millions of dollars developing ever slimmer, more sophisticated models. But depressed prices and lagging profits caused by an oversupply of watches from the Far East, failed to offset the high cost of frequent restocking. Huge investment outlays swallowed up the conservative Swiss watchmakers' healthy capital reserves, driving many to the edge of insolvency, and some beyond.

"For the past 10 years we've been trying to catch up by innovating, by making thinner and thinner movements," Mr. Spycher said. "We have a fashion product, but unlike the apparel industry, our restocking means heavy from invest-

ment. We have no volume, so we cannot amortize. This has bled the industry to death."

The results have been devastating. In 10 years, according to Georges-Adrien Matthey, president of the Watchmaking Industry Association, half the industry's jobs have been lost. Since 1975, one-quarter of Switzerland's watchmaking companies have closed. At the same time, the Swiss share of the world watch trade, once more than half, dwindled dramatically.

In 1974, Swiss exports totaled \$1.24 billion, compared with shipments from the major Far Eastern competitors, Japan and Hong Kong, totaling \$420 million. By last year, Swiss exports were \$2.1 billion, but shipments from Japan and Hong Kong had jumped to \$2.43 billion.

The Dutch central bank, which tends to parallel Bundesbank actions, also cut its discount rate and Lombard rates by a full point, to 4.75 percent and 5.25 percent, respectively.

The Dutch central bank then followed by cutting its bank rate to 5 percent from 5.5 percent, also effective Friday.

The size of the cut in West German rates was more than the mar-

(Continued on Page 15, Col. 7)

Factory Orders in U.S. Fall to Two-Year Low

United Press International

WASHINGTON—New orders to U.S. factories slid to their lowest level in more than two years in October, dropping 3.9 percent from September, the Commerce Department said Thursday.

With an increase in new orders necessary for recovery from the 15-month-old recession, the latest news dealt a blow to hopes for an economic upturn.

The figure—making October the worst month for new orders in the current recession and the poorest since June 1980—also dimmed prospects for a decline in unemployment.

The deterioration in new orders was particularly heavy for factories

for the auto and related industries, including mobile homes, the decline in orders was an enormous, 17.4 percent during October. Construction materials orders dropped 2.4 percent.

The steel industry and other primary metals orders fell 12.6 percent. Machinery orders were down 4.9 percent.

The total value of all new manufacturing orders was \$150.1 billion.

CURRENCY RATES

Interbank exchange rates for Dec. 2, excluding bank service charges.

	S	Euro	D	U.S.	S	Euro	D	U.S.
Amsterdam	2.7115	4.026	110.885	38.97	3.1988	5.613	128.55	31.255
Brussels (n)	4.026	70.827	19.045	6.12	4.026	7.295	19.045	6.12
Frankfurt	1.245	4.026	10.245	26.34	1.245	9.07	5.89	11.17
London (n)	1.245	4.026	10.242	11.209	1.242	4.026	7.918	14.1645
Milan	1.255	3.2262	27.58	28.25	3.2262	57.78	29.47	64.645
New York	1.255	3.2262	27.58	28.25	3.2262	57.78	29.47	64.645
Paris	4.026	11.205	20.448	4.892	4.026	11.205	20.448	4.892
Zurich	2.1622	3.21	65.39	20.125	3.1676	7.141	4.2465	24.265
1 ECU	0.9378	2.2195	6.52	1240.19	2.2195	45.5579	1.9848	61.071
1 SDR	0.9844	2.66704	7.592	1254.17	2.66704	52.6077	2.2926	54.931

1 Shillings: 1,203 Irish £.

(a) Commercial franc. (b) Amounts needed to buy one pound. (*) Units of 1,000. (x) Units of 1,000.

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West European Banks Cut Key Interest Rates

Reuters

ZURICH

Central banks in

West Germany, Switzerland, Aus-

SPORTS

China Closes Out Japan in Gold Medals at Games

Written by Our Staff From Delphi

NEW DELHI — China completed its long march to the top in Asian sports Thursday when it won its first medal that mathematical inclined victory at the ninth Games.

75-67 triumph by the women's softball team over defending champion South Korea delivered a 58th gold medal and guaranteed that it would wind up with just one more gold than Japan, which has hosted the Asian sports since the first Asian Games in 1951.

In competition left in only

five of 21 sports on Friday's final day of the 16-day competition, the Chinese held 58 golds to Japan's 36 (South Korea is third with 19).

China was certain of one more gold in women's badminton singles, where both finalists were from the Peking contingent and had a chance to win five others. Japan had a shot at only two, both in volleyball — where it was to face China in both men's and women's finals.

Even were Japan to win both of those and even were China to lose its five, Japan would still fall short by one gold medal.

The only other issues left to be

resolved were in boxing and soccer, where neither of the leaders was involved.

While medal-counting at Olympic-style events is usually unofficial because organizers prefer to stress individual achievement, it is an accepted way for countries to measure their strength against sporting rivals. At the last games, in Bangkok in 1978, Japan won 70 gold medals to China's 51, and ended with a 177-152 margin in total medals.

Although China is assured of winning the gold sweepstakes this time, the total-medals column is still undecided: Going into the last day of activity, Japan led, 145-143.

The Japanese, frequently frustrated in these games by missing golds they had expected to win, won three of Thursday's final events in track and field. But the Chinese rang up five first places on the day, three in track and field, one in team skeet shooting and the women's basketball clincher.

The Japanese women's 4-by-400-meter relay team won in 3:37.44, bettering the games record of 3:43.50 set by Japan in 1974. India (3:38.32) won the silver medal and China (3:39.84) took the bronze.

The Japanese men's 4-by-400-meter relay team also set a games record, its time of 3:06.75 breaking the record of 3:07.40 set by Sri Lanka in 1974. Iraq won the silver in 3:08.34 and China the bronze with a time of 3:09.57.

In the men's 5,000 meters, Masanari Shintaku of Japan ran a games-record 13:53.74. The old record, set by India's Shivnath Singh in 1974, was 14:20.60. China's Zhang Guowei, winner of the 10,000 meters, took the silver in 13:58.09 and Raj Kumar of India won the bronze in 13:59.90.

NHL Standings

The Associated Press

WALSH CONFERENCE

Patrick Division

	W	L	PCT.	G	W	L	PCT.	G
New York	14	3	.824	27	14	3	.824	27
Philadelphia	13	3	.813	26	14	4	.747	26
N.Y. Rangers	12	4	.750	25	13	5	.714	25
Pittsburgh	11	5	.667	24	8	6	.571	24
New Jersey	10	6	.600	23	7	6	.545	23
Boston	9	7	.529	22	6	8	.429	22
Montreal	8	8	.471	21	5	11	.313	21
Golden State	7	9	.412	20	4	12	.286	20
St. Louis	7	9	.400	19	3	16	.175	19
San Diego	7	11	.333	18	2	17	.111	18

Montreal

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